

FISCAL NOTE

HB 2921 - SB 3017

February 15, 2002

SUMMARY OF BILL: Increases the local option sales tax single article cap from \$1,600 to \$10,000 in any county having a population over 800,000 according to the 2000 federal census.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Revenues - Exceeds \$21,898,800

Estimate assumes the following:

- The increase in local government revenues is estimated to exceed \$21,898,800 and is calculated as follows:
[\$158,000,000 X 15.4% Shelby County Portion X 90% Compliance Factor = \$21,898,800
- FY 02-03 local option sales tax revenues statewide of \$158,000,000.
- Based on information provided by the Department of Revenue, approximately 15.4% of local option sales tax collections occur in Shelby County.
- A leakage factor of 10% for purchasers who would go out of county to make purchases (such as motor vehicles).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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